

CHAPTER I

A GENERAL SURVEY OF THE SEKINCHAN RETAIL MARKET

Location

The Sekinchan retail market is favourably located in the town and is easily accessible. On three sides it is bounded by buildings while to the front there is a piece of open grassland, to the side of which is located the Sekinchan wholesale market. (Please refer to map). Accordingly the market has the advantages of location, especially in relation to road transportation.

Area of market and material composition

The market ground occupies approximately 15,447 square feet; however the market proper measures to only 3322 square feet.

Essentially the retail market is rectangular in shape, except for the small projecting block for pork which gives it an extra dimension. The pork, fish and beef sections are well enclosed by concrete walls. However the sections occupied by vegetables and fruits are open. This sense of openness and easy access is so designed to promote and to facilitate sales.

The market floor is cemented and raised by a foot from the ground. Asbestos roofing is used, primarily as a precaution against fire, although the use of fire within the market is strictly regulated by the Markets Ordinance.

The market compound is spacious and well kept. A number of rain trees provide useful shade. The whole area is enclosed by rectangular wire netting fences, rising to eight feet and reinforced by barbed wire on top. Entry into the market is by means of three wide gates.

There are two public water taps installed. In my opinion additional taps would be necessary as the business of the market increases.

Administration

According to the Secretary to the Sekinchan Local Council the retail market was built in 1952. There are no written records of this and the possibility of a much earlier date cannot be ruled out.

The market is under the management and supervision of the Local Council. Any repairs or extensions required will be undertaken by the Public Works Department, at the request of the Council.

The functions of the market are regulated by written bye-laws. (The full text of these bye-laws are included in Appendix 11). These bye-laws are so framed in order to ensure the establishment of a healthy, energetic and reliable market. Strict regulations ensure that only hygienic feedstuffs are put on sale, and that the contamination of the health conditions of the market through any form whatsoever is strictly prohibited.

Application for ownership of the stalls is open to anybody. But priority is given to persons residing in Sekinchan itself. Winning applicants for stalls will be determined by drawing lots during a Council meeting. A health and medical certificate is a pre-requisite to the taking up of ownership of such stalls.

Internal composition of the retail market

There are altogether 40 stalls allocated for the sale of the different products in the market.

Product	Number of stalls
Vegetables	20
Fish	11
Fruits	4
Pork	4
Beef	<u>1</u>
<u>Total</u>	<u>40</u>

At the time of the survey all of the stalls, except vegetables, were fully occupied. Only 17 of the vegetable stalls were occupied.

Every stall-holder has to pay licence as well as rental fees to the Council in return for the acquisition of a stall.

Product	Licence Fee	Rental Fee	Total (per annum)
Vegetables	\$84.00	\$1.00	\$85.00
Fish	"	"	"
Fruits	"	"	"
Beef	"	"	"
Pork	\$144.00	"	\$145.00

The higher fees imposed on pork is not meant to be discriminatory in any way. It is a Council ruling that as the pork sellers operate in an area which is well looked after, they must necessarily pay more.

The dimensional structures of the vegetables and fruits stalls are slightly different from the other products stalls. However the

area occupied by each stall is the same, that is 35 square feet (7' x 5').

For the fish, pork and beef sections, every stall is managed by a single operator. But this is not so for the fruit and vegetable stalls. Because each stall is rather small, it is not economically profitable for a vegetable seller to conduct business from one stall only. He usually rents an additional stall, either from the Council or from the original stall-holders, who, for some reasons are not operating. The latter is usually the case, and the rental fee will be \$15.00 a month.

An observation on illegal selling.

On the market grounds, especially near the side entrances, there are quite a number of vegetable and fish hawkers. These people, by the very nature of their acts, are violating the rules of a market place, as stipulated in the Markets Ordinance.

Apart from causing obstruction to the free flow of people into the market, these people also pose a major problem to the market stall-holders and the Local Council. Since the goods they sell are usually lower priced (because of lower quality) they are constantly attracting customers away from the market proper. Attempts to evict them have not succeeded, in the absence of any real cooperation between the police and the Councillors, for reasons of a political nature.

The nature of the Seki, an retail market

Most markets tend to develop their own characteristics according to the ways they conduct their business. Our interest will be in the institutional structure of the market itself, whether it is a monopolistic organisation, an oligopoly or as the type much preferred, a perfectly competitive market.

It is quite clear that the retail market cannot be a monopolistic body. There are too many sellers in the market, each representing only a small unit of enterprise, insufficiently strong to command material power and less so positioned to exercise any monopoly power.

For a similar reason, the market cannot be said to be in any way an oligopoly, for there are too many sellers to enable them to collude as a cohesive force.

This leaves us the other alternative of a situation of perfect competition. Various criteria are laid down for determining the existence of such a situation. They are (a) a large number of buyers and sellers, all of whom have (b) full knowledge of market conditions (c) free movement of members on both sides (d) there is no product differentiation and (e) there are no restrictions on the movements of factors of production.

The Sekinchan market satisfies the first requirement of a large number of buyers and sellers, none of which is strong enough to influence price through his actions alone. Also there is no product differentiation for most of the products are quite identical. And it is quite certain that there are no restrictions on the movements of factors of production within the market.

However both the criteria of a free movement of buyers and sellers and the assumption of full knowledge of market conditions are not fully satisfied. It cannot be said that the movement of goods, like vegetables and fruits, is completely free. We have noticed that farmers who bring products to the market do not sell openly to any competitive buyer. Instead they tend to patronise a selected number of stall-holders, perhaps out of some mutual arrangement or business obligation. This fact is contrary to the criteria of free and open buying and selling and full knowledge of market conditions. It is quite possible that the farmers are not getting the maximum rewards for their efforts.

However as to the relationship between the stall-holders and wholesale suppliers, there is always present the element of bargaining. The stall-holders have more freedom of buying for there are many competing transport agents.

Thus the retail market fulfills only some of the pre-requisite of a perfect market. Perhaps in place of one, it is better considered as a free market where competition is practiced to a large degree.

Having analysed the sort of institution the Sekinchan retail market is, we will now proceed to the next stage of the survey, that is, a study of the movements of goods transacted.